

Message Text

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53-L

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 2011

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C O N F I D E N T I A L PANAMA 5922

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SUMMARY; OUTLOOK FOR OCTOBER 11 REMAINS ESSENTIALLY AS REPORTED
REFTEL A, EXCEPT THAT IT NOW APPEARS TORRIJOS WILL MAKE
UNSCHEDULED SPEECH, PROBABLY TO ANNOUNCE GOP WILL ACQUIRE
BANAMA COMPANY. REPORTEDLY TORRIJOS FELT UNDER PRESSURE TO
MAKE SOME DRAMATIC ANNOUNCEMENT, AND, FOR LOCAL CONSUMPTION,
WILL TREAT PURCHASE AS "NATIONALIZATION." NO ANTI-US INCIDENTS
ARE EXPECTED. END SUMMARY

1. ALL INDICATIONS STILL POINT TO PEACEFUL CELEBRATION OF
OCTOBER 11 ANNIVERSARY OF TORRIJOS REVOLUTION. SITUATION
REMAINS BASICALLY SAME AS REPORTED REFTEL A EXCEPT THAT
TORRIJOS, ALTHOUGH NOT SCHEDULED TO SPEAK, IS NOW EXPECTED TO
ANNOUNCE THAT GOP WILL BUY OUT UNITED BRANDS'
SUBSIDIARY, CHIRIQUI LAND COMPANY. SOURCE CLOSE TO GOP TOLD
EMBOFF THAT FOR DOMESTIC CONSUMPTION THIS WILL BE CALLED
"NATIONALIZATION" IN ORDER TO ACHIEVE DRAMATIC IMPACT
OCTOBER 11; HOWEVER, NEGOTIATIONS ON ACQUISITION WILL
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BEGIN OCTOBER 15.

2. SOURCE SAID EVEN TORRIJOS'S CONSERVATIVE ADVISORS WHO HAD PREVIOUSLY OPPOSED ACQUISITION OF BANANA COMPANY HAD AGREED THAT GOP SHOULD NOW ACT. LACK OF OTHER DRAMATIC NEWS, SEEMING LOSS OF REVOLUTIONARY MOMENTUM, AND UNSETTLING EFFECT OF RAMPANT RUMORS DURING PAST FEW WEEKS HAD PLACED PRESSURES ON TORRIJOS TO DO SOMETHING. POSSIBILITY ALSO EXISTS THAT SOME AMBASSADORIAL AND GOVERNMENTAL CHANGES WILL BE ANNOUNCED TOMORROW.

3. IN ORDER TO COMBAT RUMORS AND UNCERTAINTY RESULTING FROM THEM, GOP-CONTROLLED EL PANAMA AMERICA HAS ESTABLISHED A COLUMN ON ITS FRONT PAGE CALLED "BOT DE HOY" TO PUBLISH, WITHOUT COMMENT, THE JUICIEST RUMORS OF THE DAY. UNDER THIS CAPTION SOME OF MOST REPEATED RUMORS INCLUDING THAT OF PRESIDENT LAKAS' RESIGNATION, FERNANDO ELETA'S APPOINTMENT AS FOREIGN MINISTER, AND COMPULSORY RETIREMENT OF ALL PUBLIC EMPLOYEES UPON REACHING 60 YEARS OF AGE, AND OTHERS HAVE APPEARED.

4. PRESIDENT LAKAS'S SUPPORTERS WERE DISAPPOINTED THAT LAKAS FELT IT NECESSARY TO RESPOND TO RUMORS OF HIS RESIGNATION WITH PUBLIC DENIAL (SEE REFTEL B) BECAUSE THE DENIAL MADE HIM APPEAR INSECURE.

5. TOP GOP OFFICIALS ARE DOING THEIR BEST TO FIND POSITIVE SURPRISES TO ANNOUNCE. AN EXAMPLE WAS TORRIJOS' ANNOUNCEMENT OCTOBER 9 THAT PENSIONS FOR LOW INCOME RETIREES WOULD BE INCREASED EFFECTIVE JANUARY 1, 1975. THIS FOLLOWED CLOSE ON HEELS OF DENIAL OCTOBER 8 THAT ENTIRE PENSION SYSTEM WOULD BE REVISED (REFTEL B).

6. INAUGURAL SESSION OF ASSEMBLY OCTOBER 11 IS SCHEDULED FOR 9:30-12:30 AND WILL BE FOLLOWED BY STATE OF NATION MESSAGE BY LAKAS AND PROBABLY SPEECH BY TORRIJOS. THE GENERAL WILL HOST RECEPTION 7-11 PM FOR 505 REPRESENTATIVES AND THE DIPLOMATIC CORPS.

7. NO ANTI-US INCIDENTS ARE EXPECTED.

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